

Why is Korea Important to California?

*By MyungJong Hong
Visiting Korean Scholar*

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Summary

This paper looks at relationships between California and Korea and considers how they might develop in the future. This exploration is of interest and importance because Korea is one of California's most important economic partners and because many Koreans live in California.

- The Korean community is one of the fastest-growing Asian groups in the United States and in California. In 1999, 2,057,546 Koreans (including temporary residents) lived and worked in the U.S. Over one-third of them were in California.
- Los Angeles is the biggest Korean community outside of Korea itself.
- Korea is second only to Japan in the number of students studying in the United States.
- Korean-owned businesses in 1992 were second to Chinese-owned among all Asian and Pacific Islander-owned firms in the U.S. In California, over 10 percent of all firms are owned by Asians and Pacific Islanders.
- Korea is California's fourth largest trading partner, and California is Korea's largest export market.
- About one-third of the products Korea imports from the U.S. are from California.
- Korea is California's third largest agricultural export market. Cotton makes up over half of Korea's agricultural imports from California.
- Korea is California's seventh biggest foreign investor and tenth largest foreign employer. Investment has grown rapidly – over 400 percent from 1987 to 1997.
- In 1990, 307,000 Koreans visited California and spent a total of \$384 million. Over 60 percent of Korean visitors to the U.S. came to California.

According to a recent RAND report, Korea's per capita Gross Domestic Product (GDP) is expected to double from 2000 to 2015, when it will nearly equal that of Japan in purchasing-power parity (PPP) terms.¹ Whether or not this forecast proves accurate, Korea will surely overcome its recent economic crisis and grow its economy rapidly. The Northeast Asian region commands a superior pool of essential resources that are the necessary ingredients for economic development. These include a population of 1.5 billion people, abundant natural resources, and large-scale consumer markets. Among them, Korea is working to become the center of a powerful Asian economic block during the 21st Century. It is clear that Korea will become a more and more important partner of California in many ways in this new century.

Options that might contribute to strengthened relations between California and Korea include:

- Assist the Korean government and the Korean people to better understand California. For example, the State could translate some of the contents of its home page into Korean and provide links to main Korean Web sites.
- Encourage mutual benefits and interests through intergovernmental relations. Cultural and intergovernmental exchanges could accelerate mutual interests and understanding.
- Provide Korean language assistance and translation services to limited-English-speaking Korean people living in California. For example, the State currently requires translation of key documents and services when a primary language community group reaches five percent of the population. In a number of cities and unincorporated areas, Koreans comprise over five percent of the population. In those areas, translation services could be required.
- Assure availability of courses in English as a second language designed specifically for native speakers of the Korean language in areas with concentrations of Korean-Americans. Older Koreans living in California would particularly benefit.
- Help the Korean community to build a bridge between California and Korea. Steps in this direction could include support for non-profit organizations in the Korean community offering Korean education, cultural activities, and community services to help Korean-Americans integrate their cultural heritage as American citizens, communicate with other communities, and contribute to the whole of the California community's welfare.

I hope this paper will help Californians and Koreans to understand each other more accurately as important economic and cultural partners.

I would like to express my special gratitude to Dr. Charlene Wear Simmons at the California Research Bureau for thoughtful assistance during my stay. Thanks also to Dr. Ken Umbach for his assistance in editing this paper.

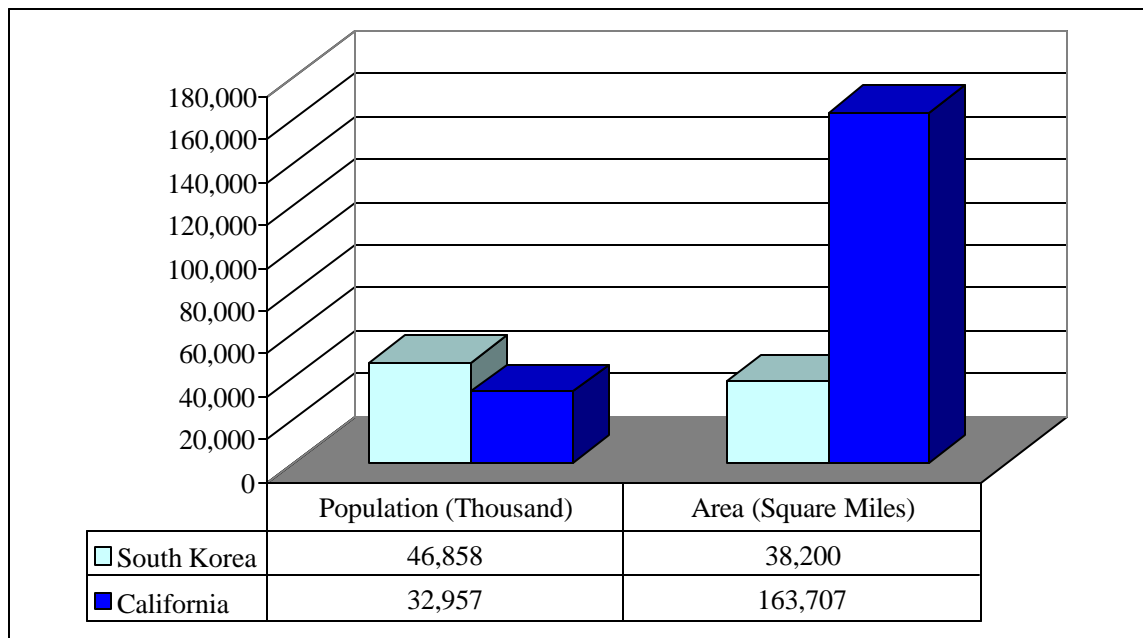
*MyungJong Hong
Korean Visiting Scholar*

Korea in Brief

Korea's Population and Area

In 1999, Korea's total population was 68.9 million. This included 46.8 million in South Korea and 22.1 million in North Korea. The combined area is around 84,800 square miles, of which 55 percent (about 46,600 square miles) is in North Korea and 45 percent (about 38,200 square miles) in South Korea.

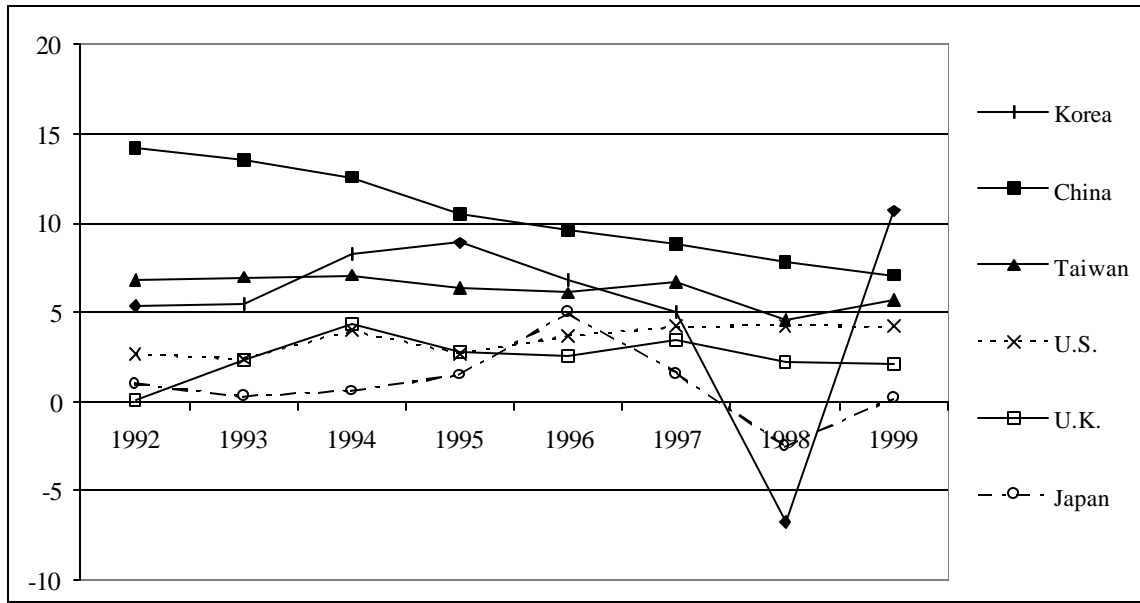
Chart 1
Korea's Population and Area, 1999



Korea's GDP Growth

Korea maintained high GDP growth rate until the economic crisis of 1997. Korea recovered dramatically in 1998-1999.

Chart 2
Selected Nations' GDP growth, 1992-1999 (%)



(Source: Korea National Statistical Office)²

Table 1
Korea's GDP Growth Rate, 1988-1999 (%)

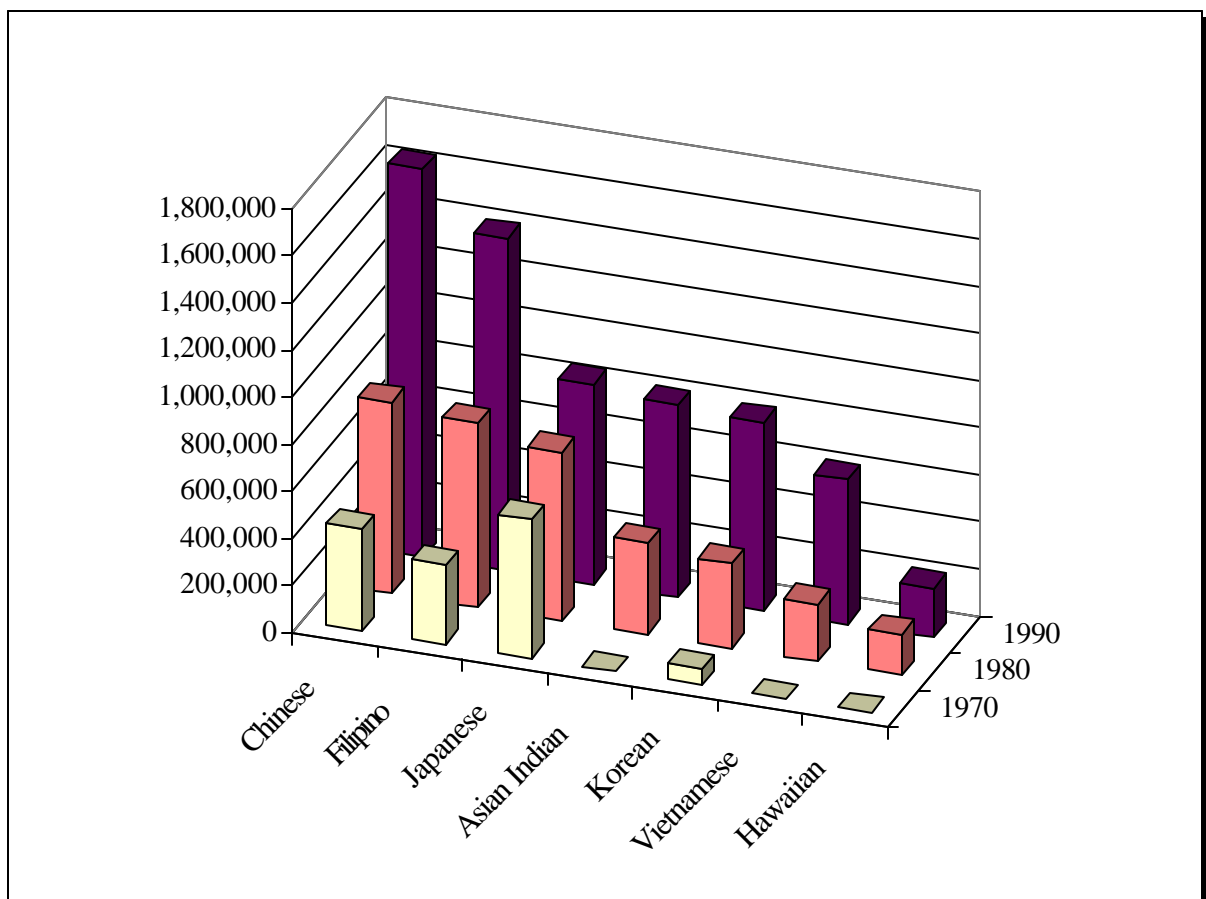
1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
11.3	6.4	9.5	9.2	5.4	5.5	8.3	8.9	6.8	5	-6.7	10.7

How Many Koreans Live and Work in California and the U.S.?

Koreans are one of the fastest-growing Asian groups in the U.S.

Koreans are one of the fastest-growing minority groups in the U.S. This growth is also reflected in California's population.

Chart 3
Asian and Pacific Islander Population in the U.S.

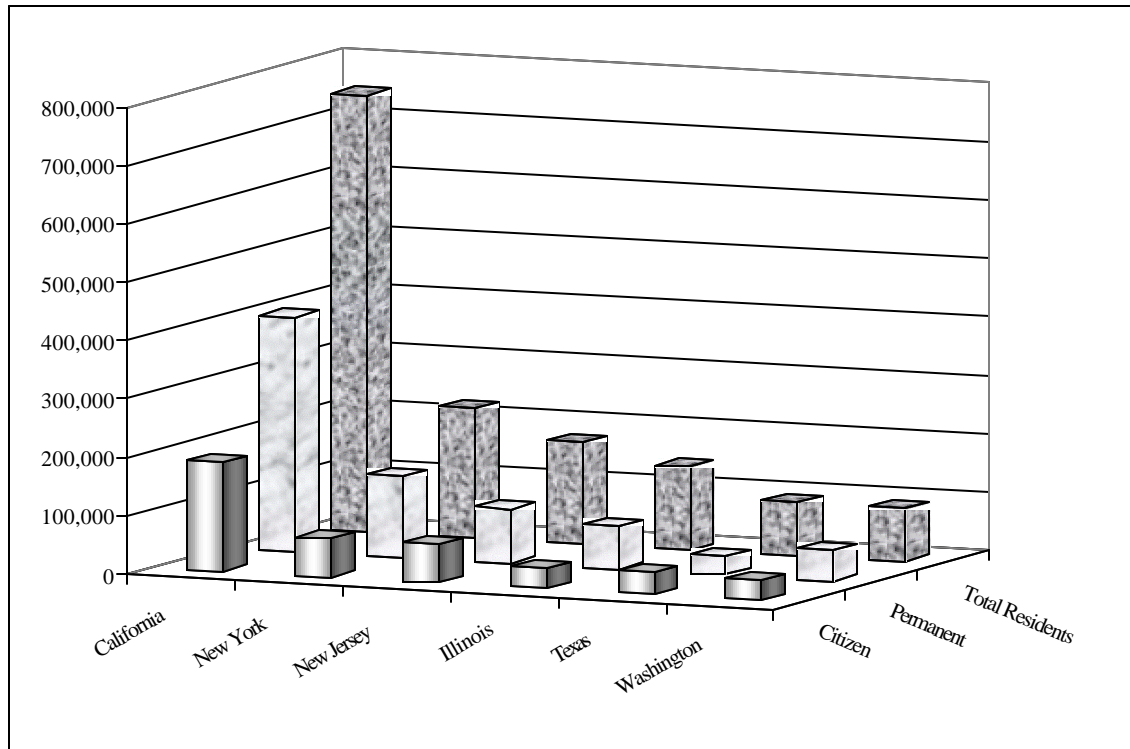


(Source: U.S. Department of Commerce, Bureau of the Census)

Many Koreans Live and Work in the U.S.

According to the 1999 estimate, 2,057,546 Koreans live and work in the U.S. This includes temporary residents. California has the largest number of Korean residents among the 50 states. Over one-third of Koreans in the U.S. are in California.

Chart 4
Koreans Living and Working in the U.S. and California, 1999
(Including Temporary Residents)



(Source: Korean Consulate³)

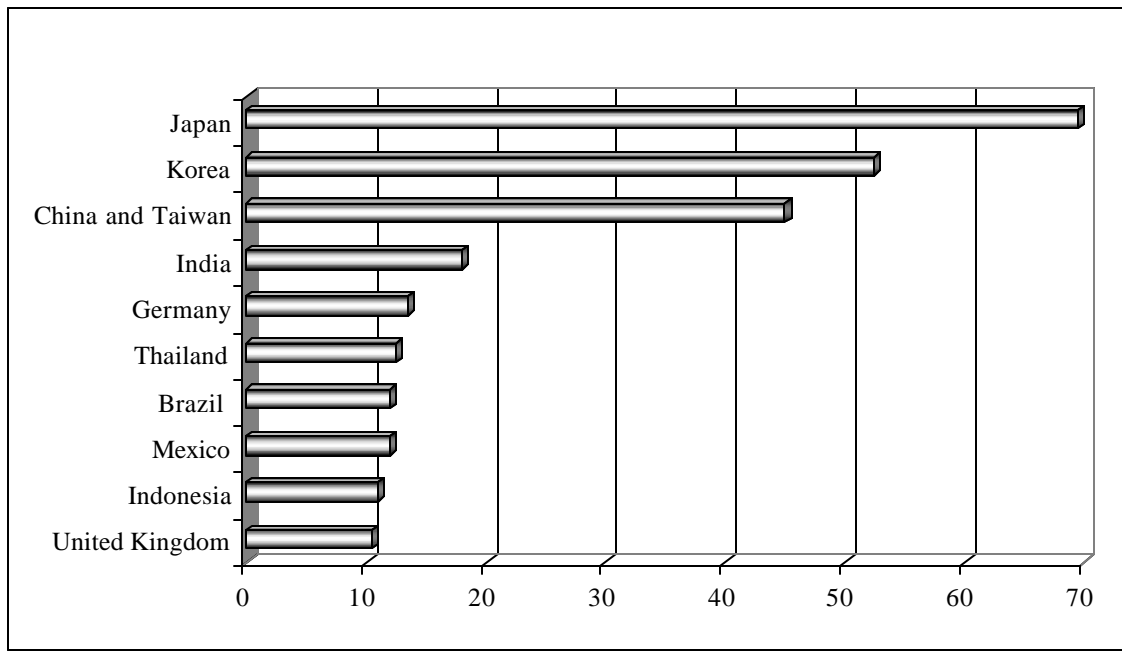
Table 2
Koreans Living and Working in the
U.S., California, and Selected States, 1999

	Citizens	Permanent Residents	Temporary Residents	Total
California	186,130	401,630	160,740	748,500
New York	65,290	139,980	17,320	222,590
New Jersey	65,560	93,410	15,140	174,110
Illinois	34,487	74,531	32,508	141,526
Texas	38,672	32,072	19,870	90,614
Washington	33,955	53,197	3,021	90,173
United States	602,921	1,118,323	336,302	2,057,546

More and More Korean Students Come to the United States to Study

Every year more and more Korean students and their families come to the U.S. and California to study. The number of Korean students in the U.S. is second only to the number of Japanese students (Chart 5). The figures include family members accompanying the students.

Chart 5
Non-immigrants Admitted to the U.S. as Students, and Their Families,
for Top Ten Countries of Citizenship, 1996 (Thousands)



(Source: U.S. Department of Justice, Immigration and Naturalization Service)

How Many Korean Tourists Visit California?

In 1999, 61 percent of all Korean visitors to the U.S. visited California. California is the best known American state in Korea. According to the California Trade and Commerce Agency:

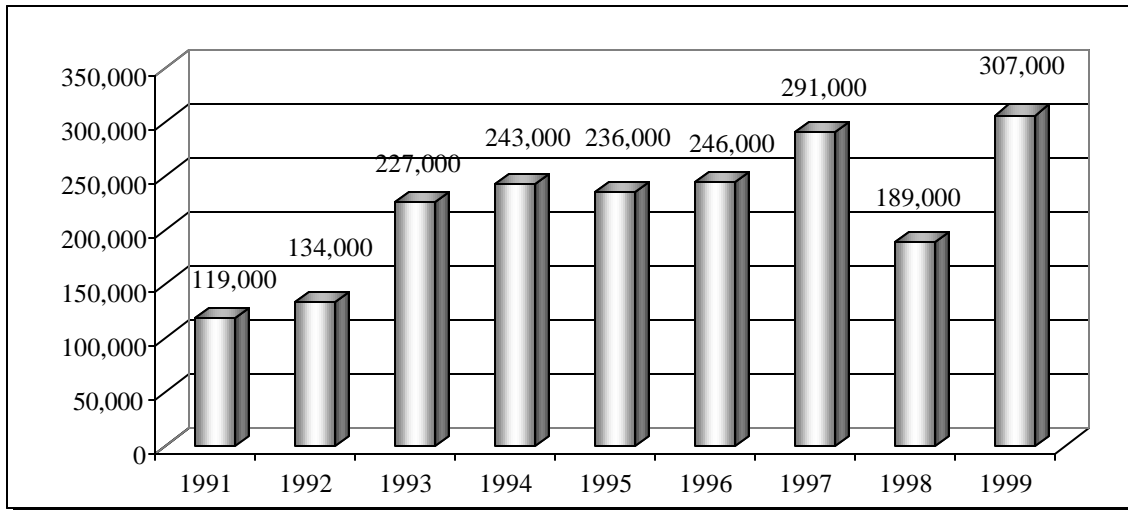
- 307,000 Koreans visited California in 1999,
- 61.5 percent of South Korean travelers to the U.S. visit California,
- Total spending in California by visiting Koreans = \$384 million,
- Average spending in the U.S. (including excursions to neighboring states) by visiting Koreans = \$1,830 per visitor,
- Average nights in California = 14,
- 36 percent visit on business, 51 percent on vacation,
- Used some form of prepaid travel package = 18 percent,
- Used rental car = 34 percent,
- Stayed in motel or hotel = 64 percent,
- Activities: 79 percent reported shopping, 33 percent enjoyed touring the countryside, 35 percent visited national parks, and 23 percent reported playing golf or tennis.

Table 3
The Number of Korean Travelers to California and Its Share of U.S. Korean Visitors

Trends	Travel to California	Share of U.S. Korean Visitors
1991	119,000	42.9%
1992	134,000	39.2%
1993	227,000	55.5%
1994	243,000	48.8%
1995	236,000	39.9%
1996	246,000	32.9%
1997	291,000	39%
1998	189,000	52%
1999	307,000	61.5%

(Source: California Trade and Commerce Agency)

Chart 6
Korean Travelers to California, 1991 – 1999



(Source: California Trade and Commerce Agency)

Over 300,000 Koreans visited California in 1999 and spent an estimated total of \$384 million. The number of Korean visitors has grown annually except in economically troubled 1998.

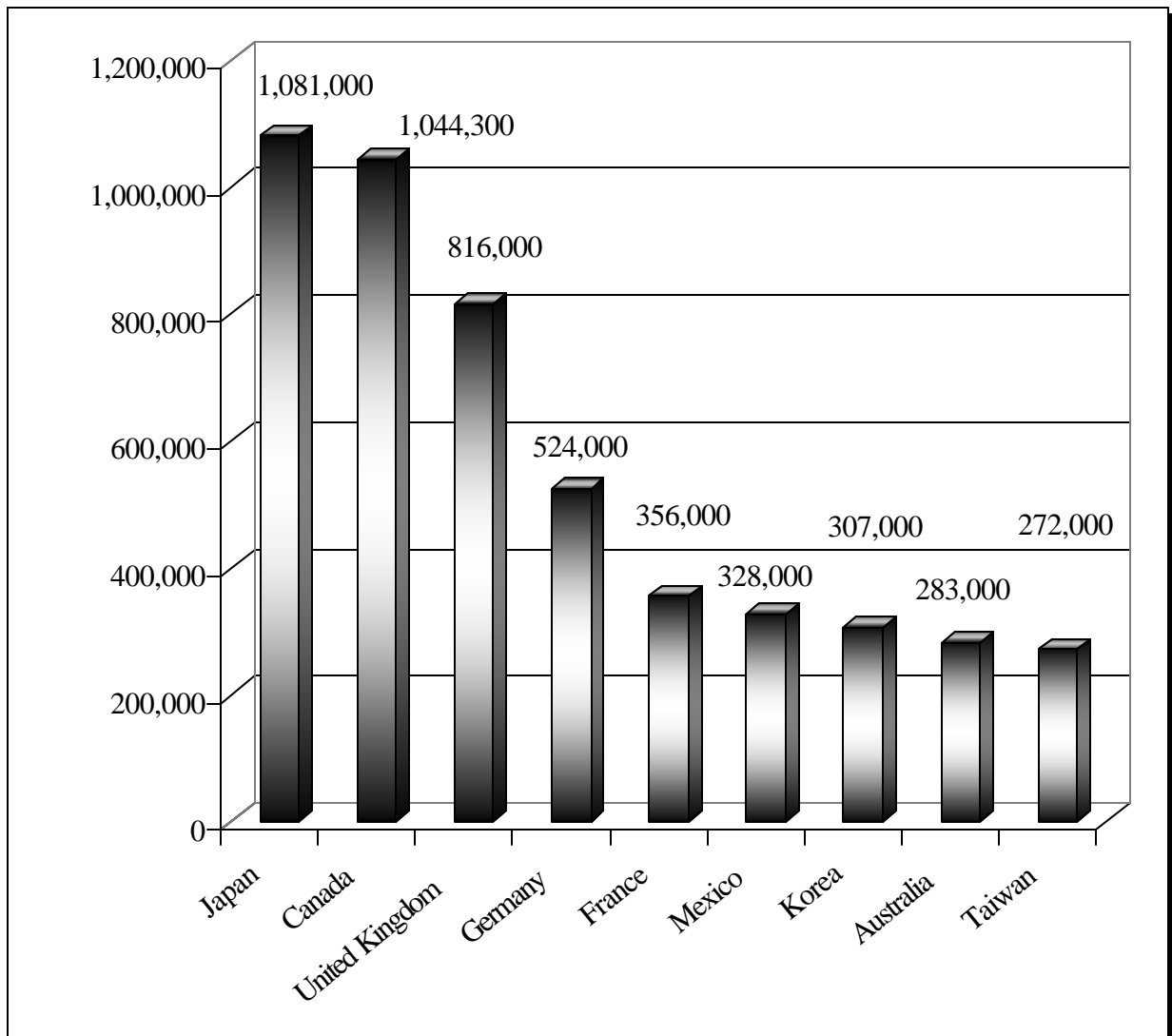
Table 4
Foreign Visitors, Share of U.S., Spending in California

	Visitors to CA	Share of U.S.	Total Spending in CA	Average Spending per Capita
Japan	1,081,000	22.40%	\$1,100 million	\$1,596
Canada	1,044,300	7.40%	\$635 million	\$608
United Kingdom	816,000	19.20%	\$537 million	\$1,280
Germany	524,000	26.40%	\$503 million	\$2,019
France	356,000	33.60%	\$373 million	\$1,680
Korea	307,000	61.50%	\$384 million	\$1,830
Australia	283,000	58.60%	\$320 million	\$1,983
Taiwan	272,000	60.00%	\$335 million	\$1,857

(Source: California Trade and Commerce Agency)

Korea ranks among the largest sources of foreign visitors to California, although Korea's share is below that of several other countries.

Chart 7
The Number of Foreign Visitors to California



Korean Businesses in California and the U.S.

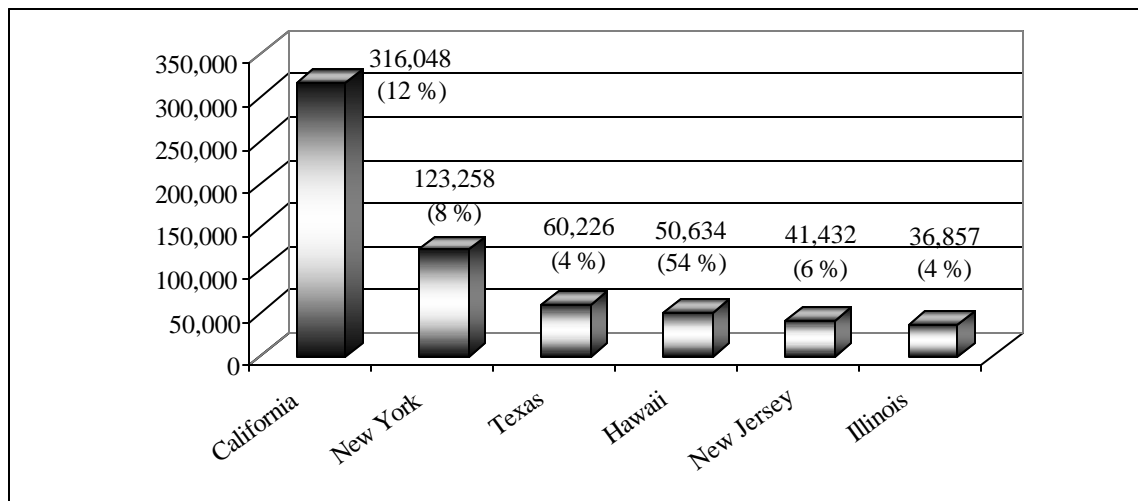
California has the largest number of Asian and Pacific Islander-owned firms among U.S. states. They comprise 10.3 percent of all California firms.

Table 5
Eight States with Largest Share of Asian, Pacific Islander, American Indian, and Alaska Native-Owned Firms Compared to All U.S. Firms and Population: 1997

State	Minority* -owned firms (number)	All U.S. firms (number)	Minority as a percent of all	Minority sales and receipts (\$million)	All U.S. sales and receipts (\$million)	Minority as a percent of all	1997		
							Minority population (1,000)	All U.S. population (1,000)	Minority as a percent of all
California	316,048	2,565,734	12	121,566	2,178,292	6	3,862	32,218	12
New York	123,258	1,509,829	8	31,611	1,488,913	1	526	19,355	5
Texas	60,226	1,525,972	4	18,849	1,415,536	1	526	19,355	3
Hawaii	50,634	98,981	54	14,523	55,361	26	753	1,189	63
New Jersey	41,432	654,227	6	16,734	690,008	2	424	8,054	5
Illinois	36,857	882,053	4	14,728	993,117	1	390	12,012	3
Florida	33,769	1,301,920	3	10,467	828,429	1	257	14,683	2
Washington	23,309	447,433	5	8,008	347,323	2	314	5,604	6

(Source: U.S. Department of Commerce, Bureau of the Census, 1997 *Survey of Minority - Owned Business Enterprises*)

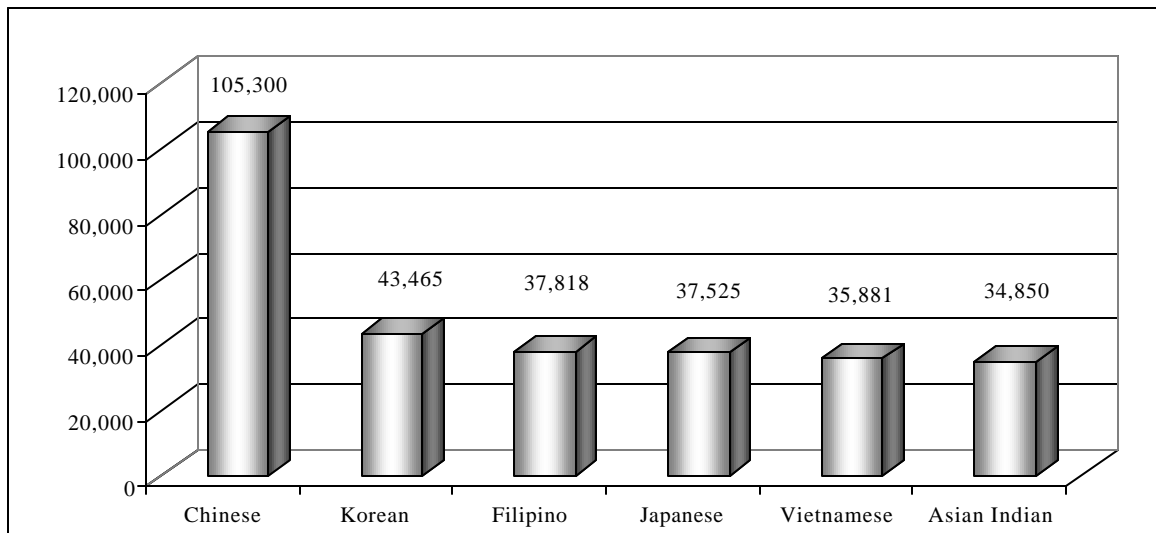
Chart 8
Minority-Owned Firms (Number and Percentage of All), Selected States



* Minority here means Asian, Pacific Islander, American Indian and Alaska Native.

Among the Asian and Pacific Islander firms in California and the U.S. in 1997, the number of Korean-owned firms is second to that of Chinese-owned (Chart 9).

Chart 9
The Number of Minority-Owned Firms in California: 1997



(Source: U.S. Department of Commerce, Bureau of the Census)⁴

Table 6
Asian and Pacific Islander-owned Firms by Ethnicity in California: 1997

Ethnicity	All firms		Firms with paid employees			
	Firms (number)	Sales and receipts (\$1,000)	Firms (number)	Sales and receipts (\$1,000)	Employees (number)	Annual payroll (\$1,000)
Chinese	105,300	53,728,090	37,672	49,572,010	326,375	6,083,389
Korean	43,465	20,661,034	13,055	18,529,753	134,515	2,454,181
Filipino	37,818	4,551,879	5,649	3,493,007	48,220	995,970
Japanese	37,525	18,261,047	10,664	17,036,378	90,424	2,287,421
Vietnamese	35,881	3,071,638	7,853	2,227,308	24,822	368,111
Asian Indian	34,850	15,294,953	11,501	13,807,770	66,141	2,037,591
Other Asian	18,117	5,486,955	7,163	4,964,553	101,135	850,258
Native Hawaiian	2,167	230,175	72	198,029	1,521	59,285
Other Pacific Islander	925	279,805	120	238,676	4,616	65,994
California	316,048	121,565,577	93,748	110,067,485	797,768	15,202,201

(Source: U.S. Department of Commerce, Bureau of the Census)

Trade between California and Korea

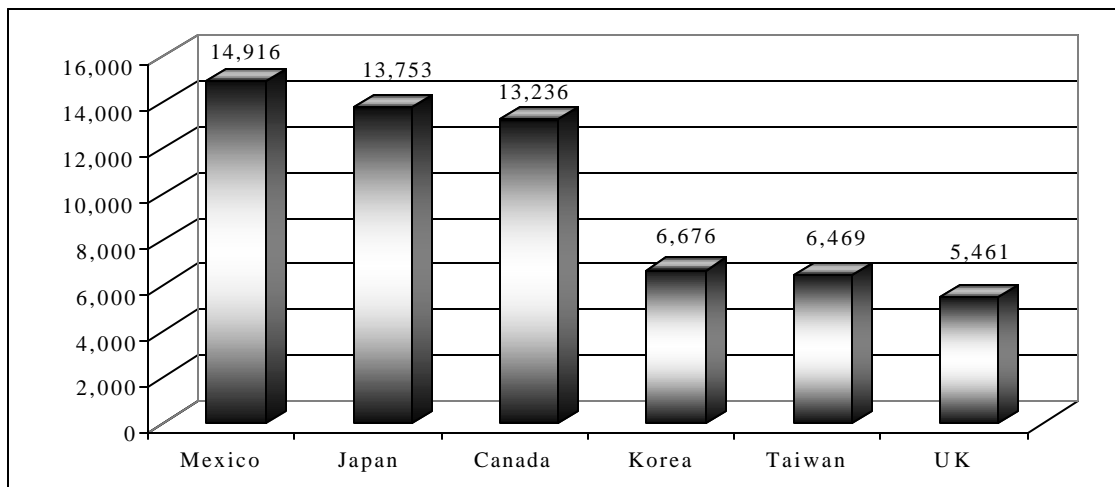
Korea is California's Fourth Largest Export Market

Korea is the fourth largest export market for California's products. The data show a large decline during Korea's recent economic crisis (1997 and 1998), and that Korea has recovered its position as the state's fourth largest export market.

Table 7
Leading California Export Markets
(\$ Millions)

Country	1997	1998	1999	% Change 1997-98	% Change 1998-99	Rank
Mexico	12,082	13,344	14,916	10.4	11.8	1
Japan	17,460	14,602	13,753	-16.4	-5.8	2
Canada	11,426	12,673	13,236	10.9	4.5	3
South Korea	7,046	4,413	6,676	-37.4	51.3	4
Taiwan	6,991	5,926	6,469	-15.2	9.2	5
UK	5,414	5,756	5,461	6.3	-5.1	6
Singapore	5,674	4,723	4,875	-16.8	3.2	7
Germany	4,108	4,700	4,596	14.4	-2.2	8
Netherlands	3,411	3,893	4,212	14.1	8.2	9
Hong Kong	4,153	3,620	3,950	-12.8	9.1	10

Chart 10
California's Main Export Market
(\$ Millions)



(Source: California Trade & Commerce Agency)

High technology products, which include electronics, electrical equipment, industrial machinery, and computer equipment, lead California's exports to Korea. California's exports to Japan are similar.⁵

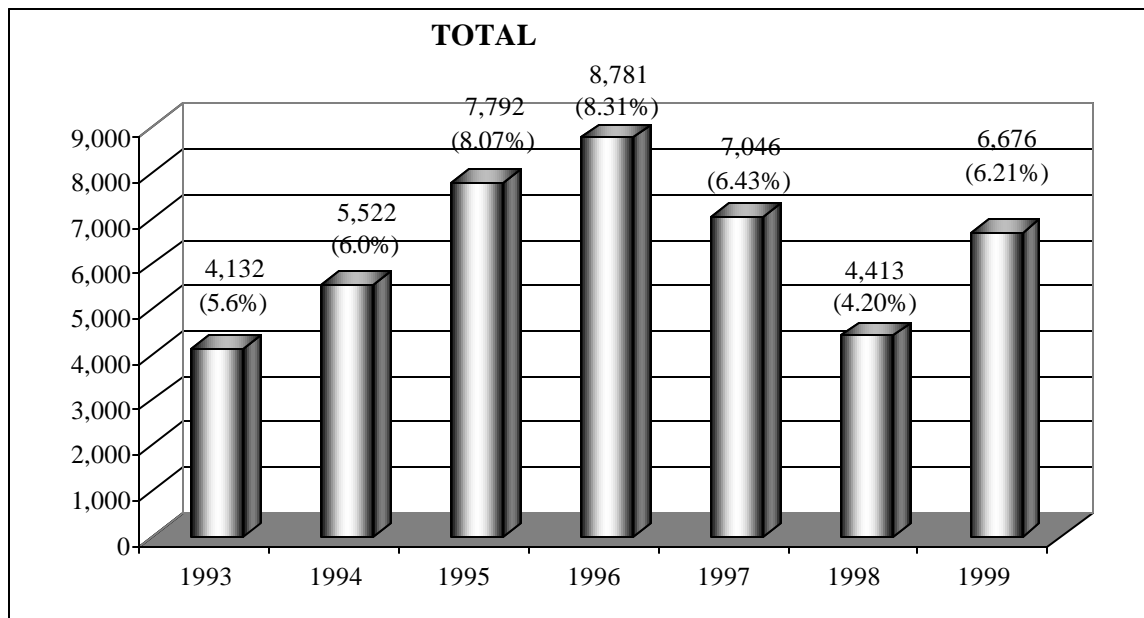
Table 8
Annual California Exports to Korea by Main Industry, 1993-1999
(\$ Millions)

	TOTAL*	Electronic, electrical equip. except computer	Industrial machinery, computer equipment	Instruments and related products	Transportation equipment	Scrap and waste	Food and kindred products	Chemicals and allied products
1993	4,132	1,188	826	299	324	227	327	101
1994	5,522	1,645	1,395	433	481	227	276	121
1995	7,792	2,163	2,467	522	532	401	307	151
1996	8,781	2,498	2,852	759	645	264	339	22
1997	7,046	2,362	1,858	743	469	294	299	188
1998	4,413	1,684	876	331	487	171	178	94
1999	6,676	2,853	1,664	536	504	216	208	140

*Total includes other industries in addition to those listed.

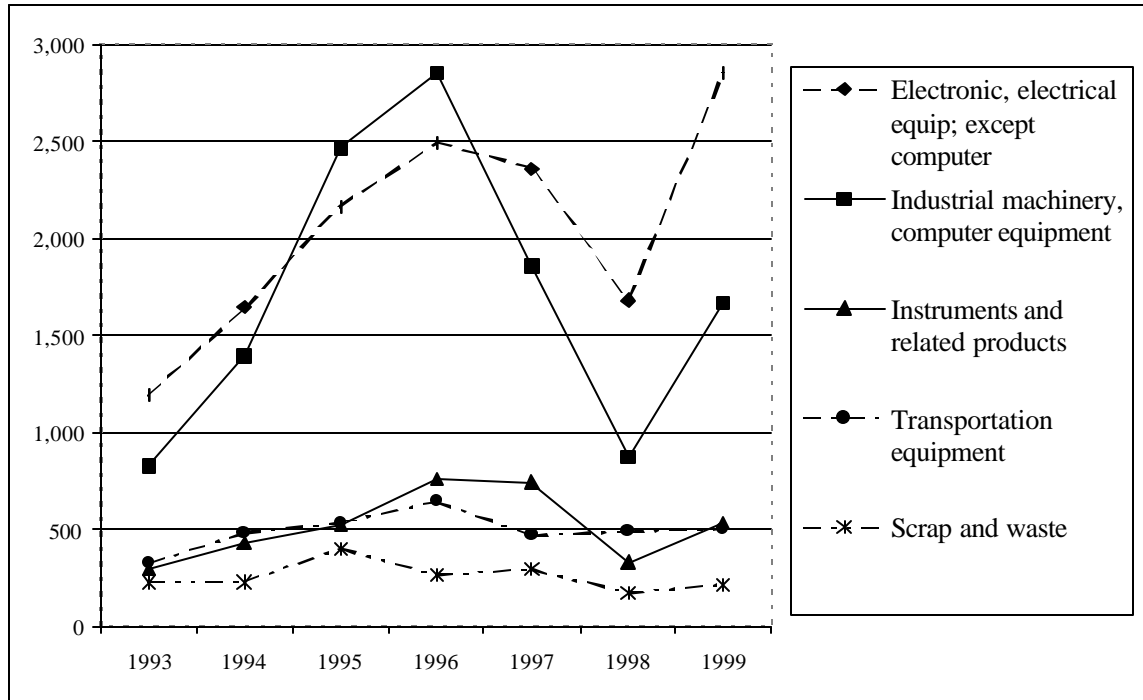
(Source: California Trade & Commerce Agency)

Chart 11
Annual California Exports to Korea, 1993-1999
(\$ Millions, % of CA's Total Exports)



(Source: California Trade and Commerce Agency)

Chart 12
Annual California Exports to Korea by Main Industries, 1993-1999
(\$ millions)



(Source: California Trade and Commerce Agency)

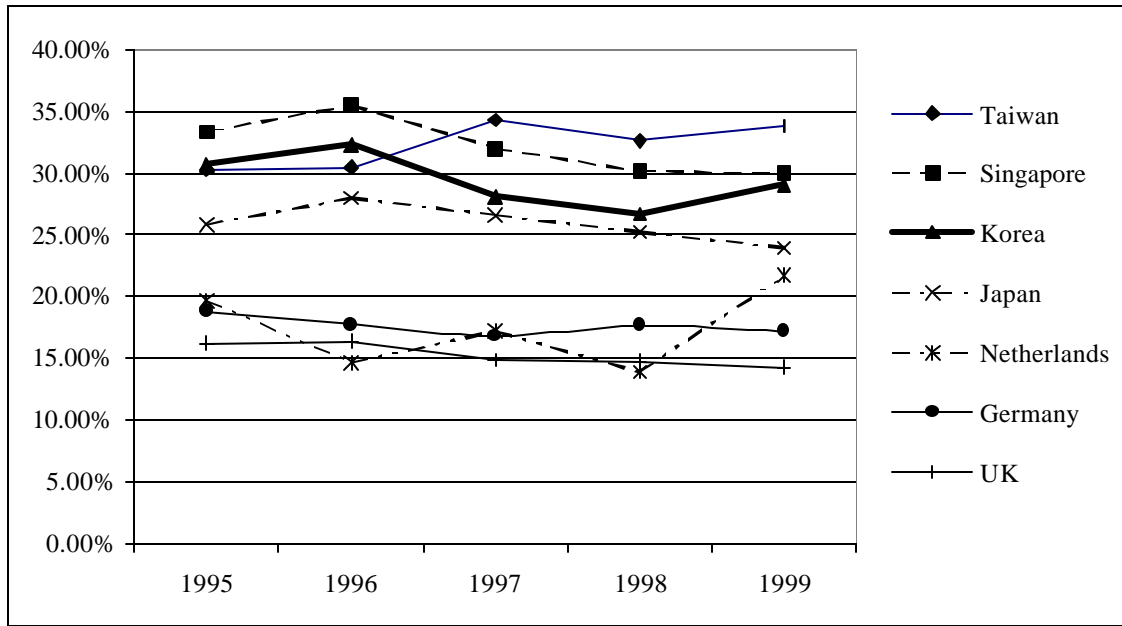
Around 30 percent of all U.S. exports to Korea are from California. As a result, California is Korea's biggest source of imports. This is high compared to other countries, especially European Union (EU) countries.

Table 9
California and U.S. Exports to Korea

	% from CA of U.S. Exports	% of CA's Total Exports	% of U.S.'s Total Exports
1995	30.6%	8.0%	4.4%
1996	32.3%	8.3%	4.3%
1997	28.1%	6.4%	3.6%
1998	26.7%	4.2%	2.4%
1999	29.0%	6.2%	3.3%

(Source: U.S. Dept. of Commerce.)

Chart 13
Selected Countries' Imports from California
as Percentage of all Imports from the U.S.



(Source: U.S. Department of Commerce.)

Table 10
Selected Countries' Imports from California
as Percentage of all Imports from the U.S.

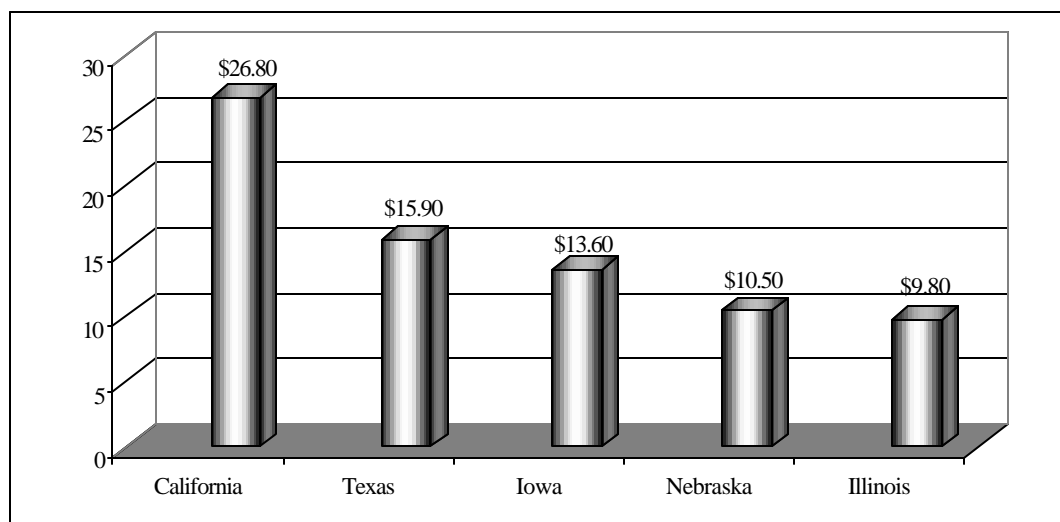
	Taiwan	Singapore	Korea	Japan	Netherlands	Germany	UK
1995	30.3%	33.3%	30.66%	25.8%	19.7%	18.8%	16.2%
1996	30.5%	35.51%	32.29%	28.0%	14.6%	17.7%	16.4%
1997	34.3%	32.0%	28.11%	26.6%	17.2%	16.8%	14.9%
1998	32.7%	30.1%	26.68%	25.2%	13.9%	17.6%	14.7%
1999	33.8%	30.0%	29.08%	23.9%	21.7%	17.1%	14.2%

(Source: California Trade and Commerce Agency)

California Agricultural Exports to Korea

California has the largest food and agriculture economy in the United States, as it has had for more than 50 years.⁶ California is the nation's leading dairy state, producing 26 billion pounds of milk and cheese, and the nation's second largest cotton producer. The state grows more than half of the nation's fruits, nuts and vegetables. California's agricultural production was valued at 27 billion dollars in 1997 (Chart 14).

Chart 14
America's Top 5 Agricultural States, 1997
(\$ in Billions)



(Source: California Department of Food and Agriculture)

Exports are vital to California's agricultural economy.

Table 11
California's Principal Agricultural Exports for 1997
(\$ in Millions)

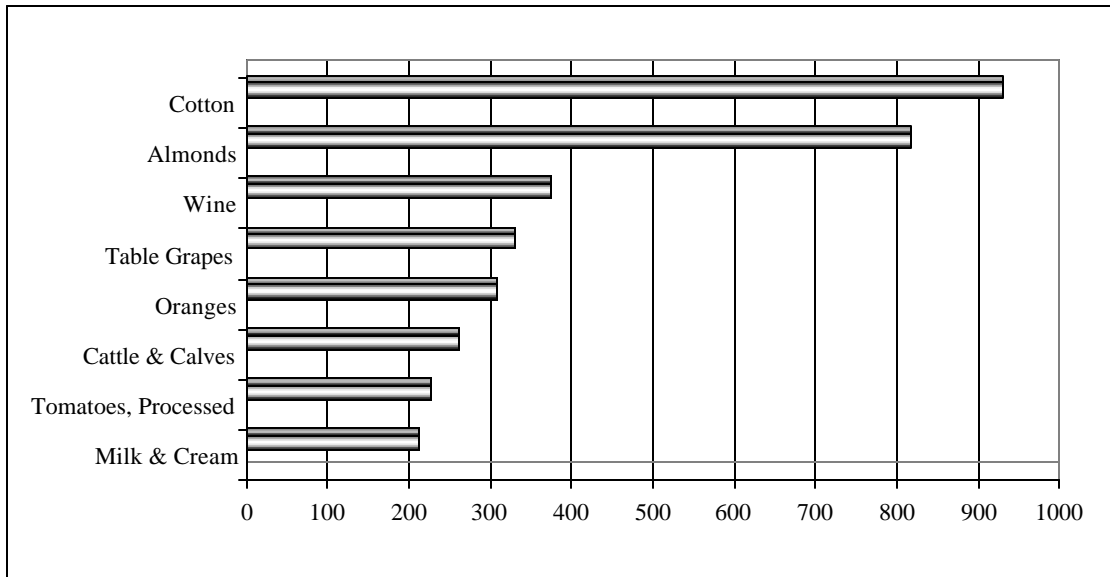
Commodity	Rank	1997 California Export Value	Rank	1996 California Export Value	Rank	1995 California Export Value	Percent Change (1995-1997)
Cotton	1	931.3	1	1078.5	1	974.6	-4
Almonds	2	818.3	2	1015.9	2	780.5	5
Wine	3	374.9	4	286.9	6	209.9	79
Table Grapes	4	330.8	3	289.2	5	264.6	25
Oranges	5	307.4	6	267.9	4	291.5	5
Cattle & Calves	6	262.0	5	278.8	3	334.7	-22
Tomatoes, Processed	7	226.3	8	202.8	8	196.4	15
Milk & Cream	8	212.6	12	135.1	12	127.8	66
Raisins	9	199.8	7	208.6	7	197.6	1
Walnuts	10	153.0	9	201.4	9	177.2	-14
Rice	11	144.4	10	145.9	10	146.1	-1
Hay	12	141.2	16	109.0	15	112.4	26
Total All Agricultural Exports		6,990.8		6,991.6		6,497.0	8

(Source: California Department of Food and Agriculture)

Six of California's top ten agricultural export markets are Pacific Rim countries, accounting for nearly one-third of the total market share (\$2.3 billion). Korea is the third

largest agricultural export market for California products. California's products are essential to Korean life itself.

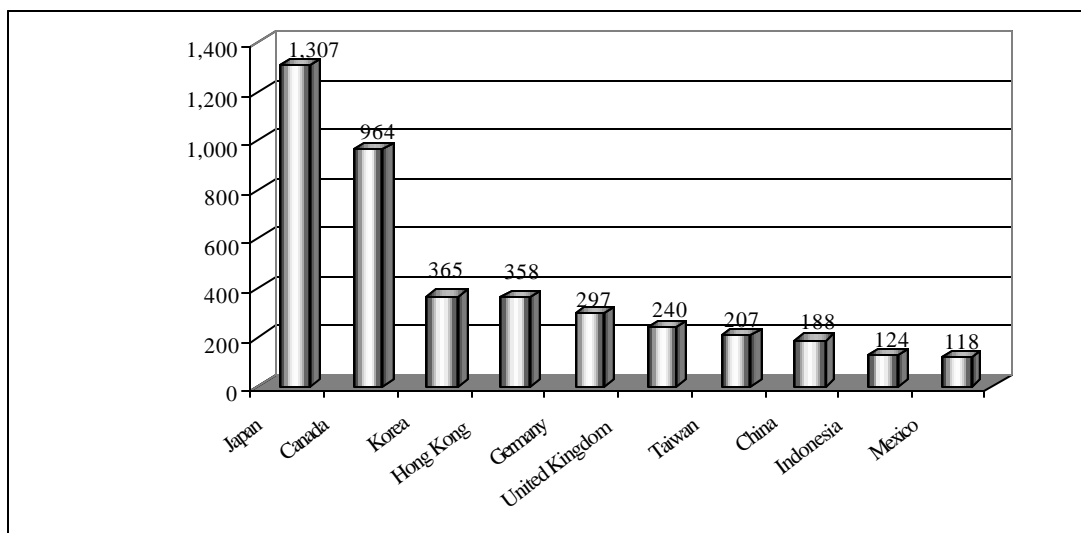
Chart 15
California's Agricultural Exports by Principal Commodities, 1997
 (\$ in Millions)



(Source: California Department of Food and Agriculture)

Leading export destinations for principal California commodities include Japan (\$1.3 billion), Canada (\$964 million), South Korea (\$365 million), Hong Kong (\$358 million), Germany (\$297 million), and the United Kingdom (\$240 million).

Chart 16
California Agricultural Exports by Country, 1997
 (\$ in Millions)



Korea's major import commodities from California include cotton (\$214 million), cattle and calves (\$50 million), milk and cream (\$28 million), and oranges (\$22 million).

Table 12
Major California Agricultural Exports to Korea, 1997
(\$ in Millions)

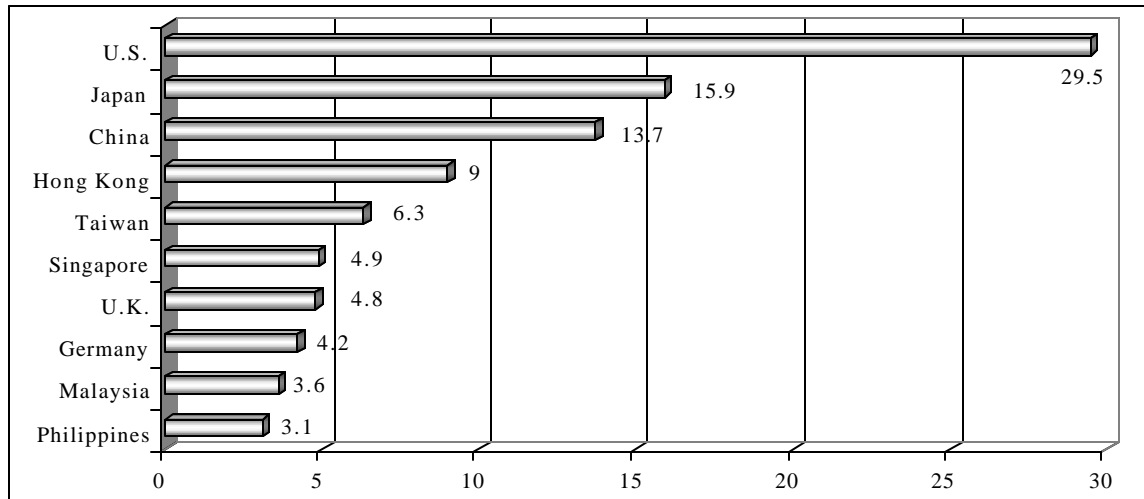
Korea	Rank	Approximate Export Value (millions)
Cotton	1	214
Cattle and Calves	2	50
Milk & Cream	3	28
Oranges	4	22
Tomatoes, Processed	5	20
Almonds	6	19
Hay	7	6
Pistachios	8	3
Lemons	9	3
Total		365

(Source: California Department of Food and Agriculture)

The U.S. is Korea's Biggest Export Market

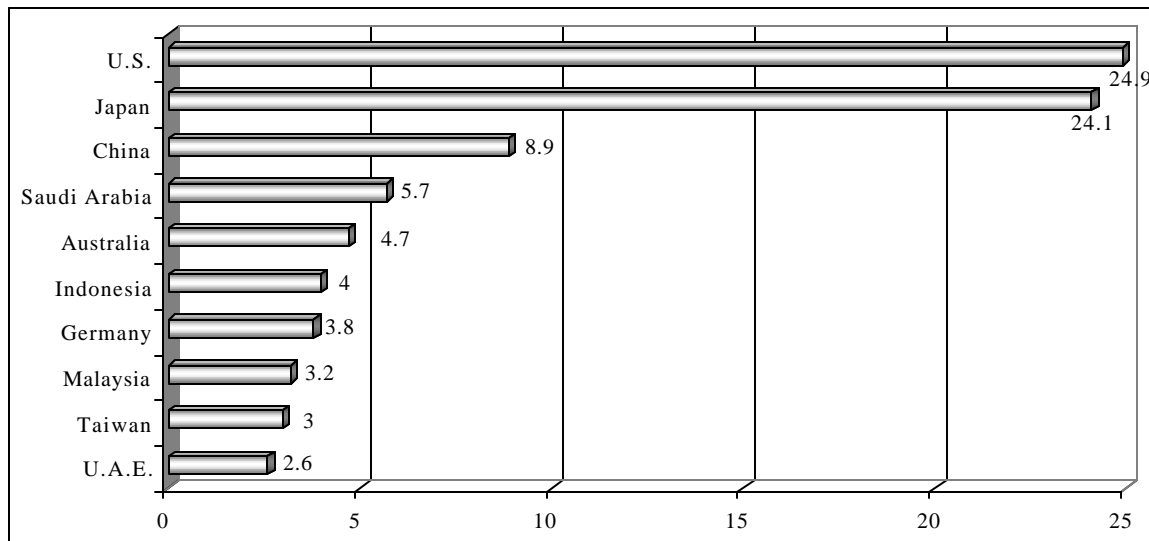
The United States (and in particular California) is Korea's biggest export market and also the largest source of imports. Many Koreans now believe that the U.S. is more important as an economic partner than a political partner.

Chart 17
Korea's Top Ten Export Markets, 1999
(\$ in Billions)



(Source: Korean Ministry of Commerce)

Chart 18
Korea's Top Ten Import Markets, 1999
(\$ in Billions)

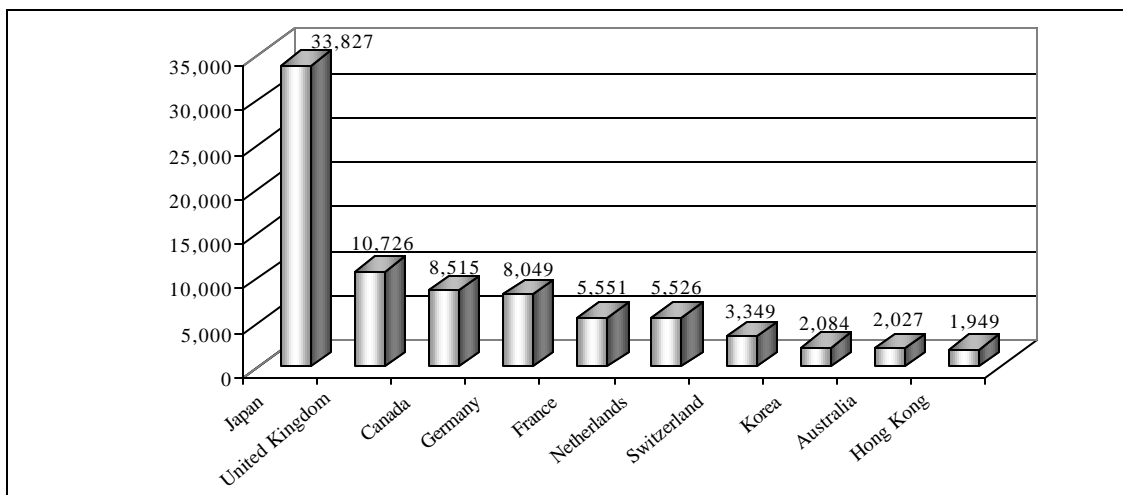


(Source: Korean Ministry of Commerce)

Korean Investment in California

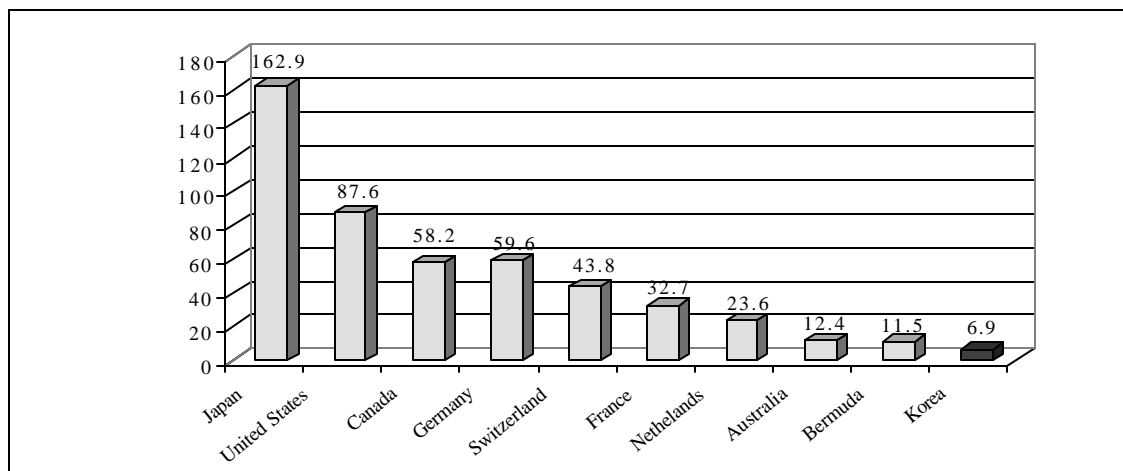
Compared to *trade* between California and Korea and between California and other countries, Korean *investment and employment* in California are relatively small. This means that Korean businesses should be made aware of the merits of investing in California.

Chart 19
Top Foreign Investors in California, Book Value, 1997
(\$ in Millions)



(Source: California Trade and Commerce Agency)

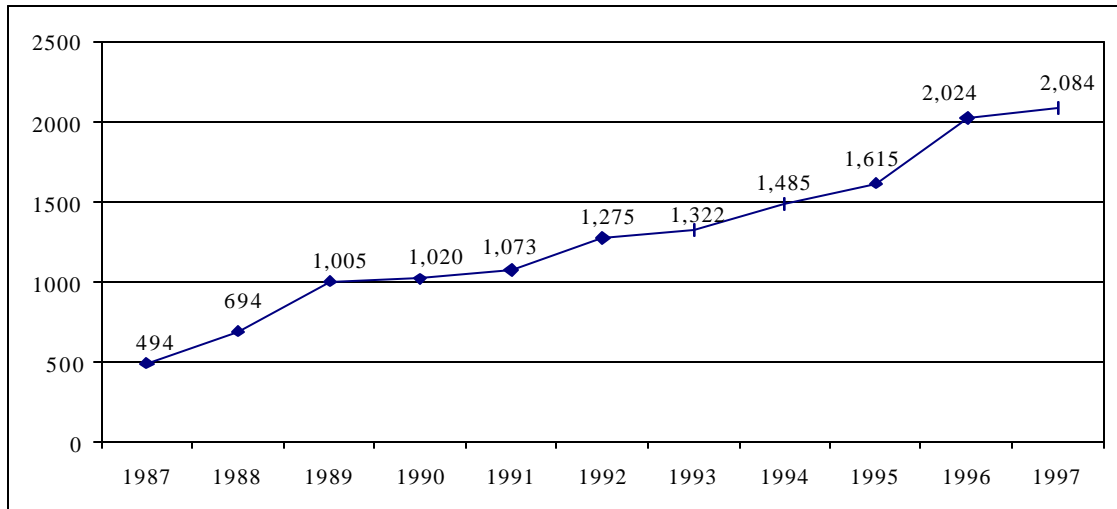
Chart 20
Top Foreign Investors in California Employment, 1997
(Thousands)



(Source: California Trade and Commerce Agency)

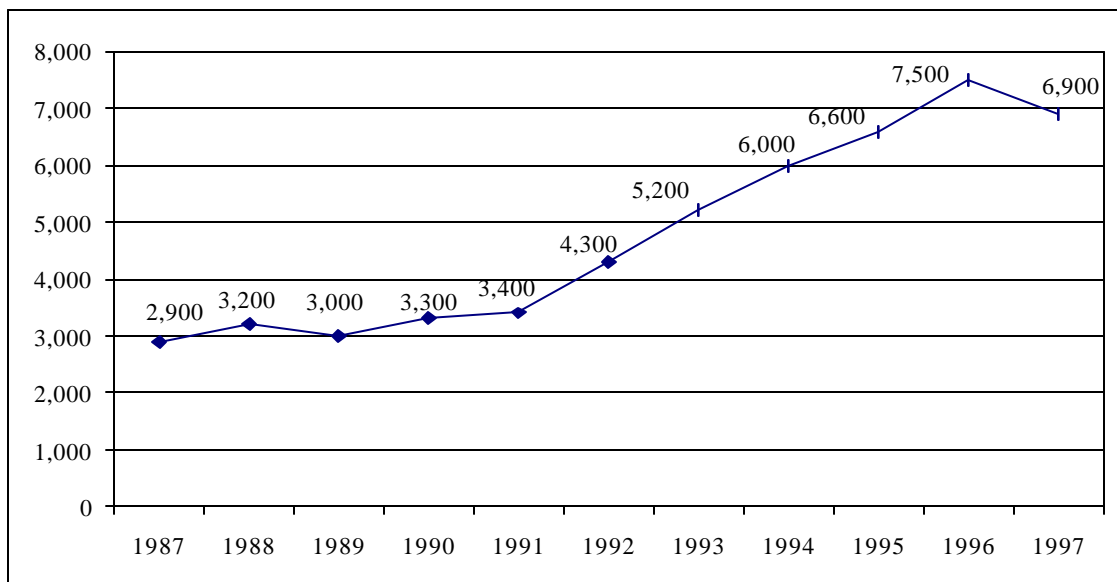
Korea's investment and resulting employment in California has grown quickly. One obstacle that blocks investment from Korea is the language barrier. Many Asian people, including Koreans, are not familiar with English. Assisting them to learn the merits of investment in California in their own language may be important to California (see Options, pages 26-30).

Chart 21
Korea's Investment in California, 1987-1997
 (Millions)



(Source: California Trade & Commerce Agency)

Chart 22
Korean Affiliate Employment in California, 1987-1997
 (People)



(Source: California Trade & Commerce Agency)

Korea's Future

According to a recent RAND report, Korea's GDP and per capita GDP will more than double between 2000 and 2015. Korea's per capita GDP will nearly equal that of Japan in purchasing-power parity (PPP) terms at the end of this 15-year period (see Tables 13 and 14).[†] Korea's GDP growth rate is expected to rise steadily at about 6 percent annually. (Estimates apply to South Korea only.)

Table 13
Gross Domestic Product of Main Asian Countries, 1995-2015⁷
(in trillions of 1998 U.S. dollars)

	1995	2000	2005	2010	2015	Average Annual Growth Rates, 2000-2015 (%)
Nominal exchange rates						
Japan	5.5	5.5	5.8	6.3	6.8	1.4
China (Stable Growth)	0.9	1.2	1.5	1.9	2.5	5
China (Disrupted growth)	0.9	1.2	1.4	1.6	1.9	2.7
India	0.4	0.5	0.6	0.8	1.1	5.8
Korea	0.3	0.3	0.4	0.6	0.8	5.6
Indonesia	0.06	0.06	0.08	0.09	0.1	4.2
Purchasing-power parity (PPP)						
Japan	2.9	2.9	3.1	3.4	3.6	1.4
China (Stable growth)	4.5	6	7.6	9.6	12.4	5
China (Disrupted growth)	4.5	5.7	6.8	7.7	8.5	2.7
India	2.2	3	4	5.2	6.7	5.8
Korea	0.7	0.7	0.9	1.2	1.7	5.6
Indonesia	0.7	0.7	0.9	1.1	1.4	4.2

[†] "Use of the Nominal exchange rate for conversions from constant prices in local currencies answers the following question: How many dollars are *required* to exchange into local currency (i.e., yen, rupees, etc.) at a specified nominal exchange rate in order to *buy* the GDP market-basket (of Japan, China, India, etc.) with local currency at *local* prices?"

"Use of the PPP exchange rate for conversion of local currencies to dollars answers a different question: How many dollars would be *received* if the same market-basket were *sold* (i.e., valued) at U.S. prices?" (Charles Wolf Jr., Anil Bamezai, K. C. Yeh, and Benjamin Zycher, *Asian Economic Trends and Their Security Implications* (RAND, 2000) p. 11)

Chart 23
1995 Population and 1995-2015 Population Growth Rates
of Korea and Other Asian Countries⁸
(Millions)

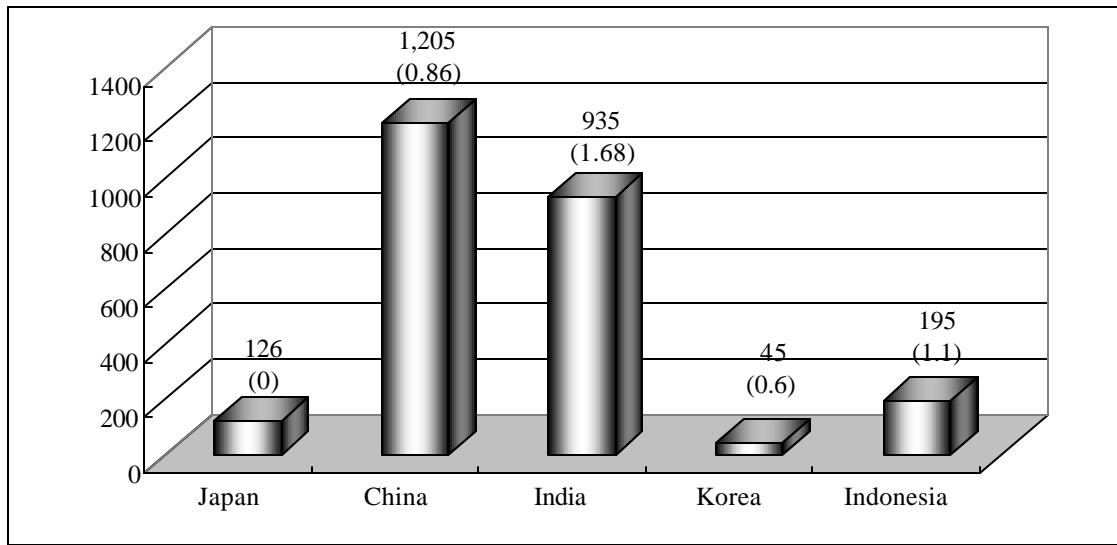


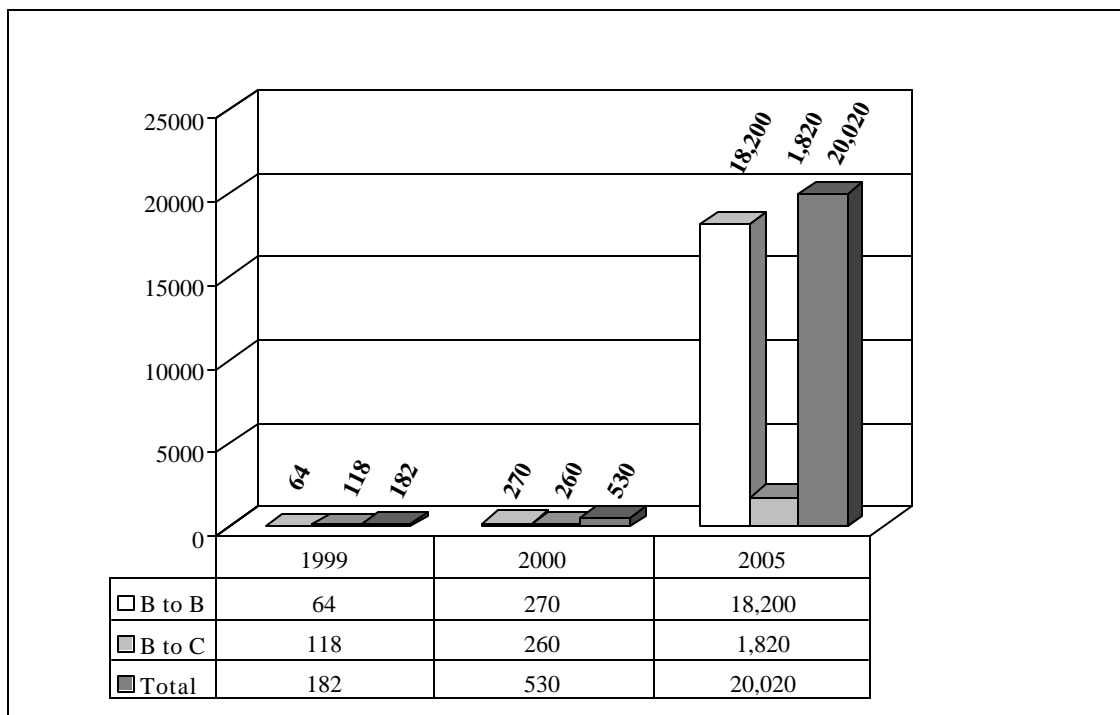
Table 14
Per-Capita GDPs of Main Asian Countries⁹
(in thousands of 1998 U.S. dollars)

	1995	2000	2005	2010	2015
Nominal exchange rates					
Japan	43.4	43.7	45.5	49.2	53.8
China (Stable growth)	0.7	0.9	1.1	1.4	1.7
China (Disrupted growth)	0.7	0.9	1	1.2	1.3
India	0.4	0.5	0.6	0.7	0.8
Korea	6.8	7.3	8.6	11.3	15.1
Indonesia	0.3	0.3	0.3	0.4	0.5
Purchasing-power parity (PPP)					
Japan	23.2	23.3	24.4	26.3	28.7
China (Stable growth)	3.7	4.6	5.7	6.9	8.7
China (Disrupted growth)	3.7	4.4	5.1	5.5	6
India	2.4	2.9	3.5	4.3	5.1
Korea	14.7	15.9	18.6	24.4	32.8
Indonesia	3.7	3.5	4	4.7	5.5

The number of Korean Internet users and information technology (IT) companies is rapidly increasing. At the beginning of 2001, an estimated 20 million Koreans had access to the Internet. Fifty-seven percent of Korean households currently own personal computers (PCs); 62 percent bought their first PC within the last three years. Korea's digital economy is growing as rapidly as in other advanced countries. Business-to-business e-commerce is increasing even more rapidly than business-to-consumer transactions in Korea.

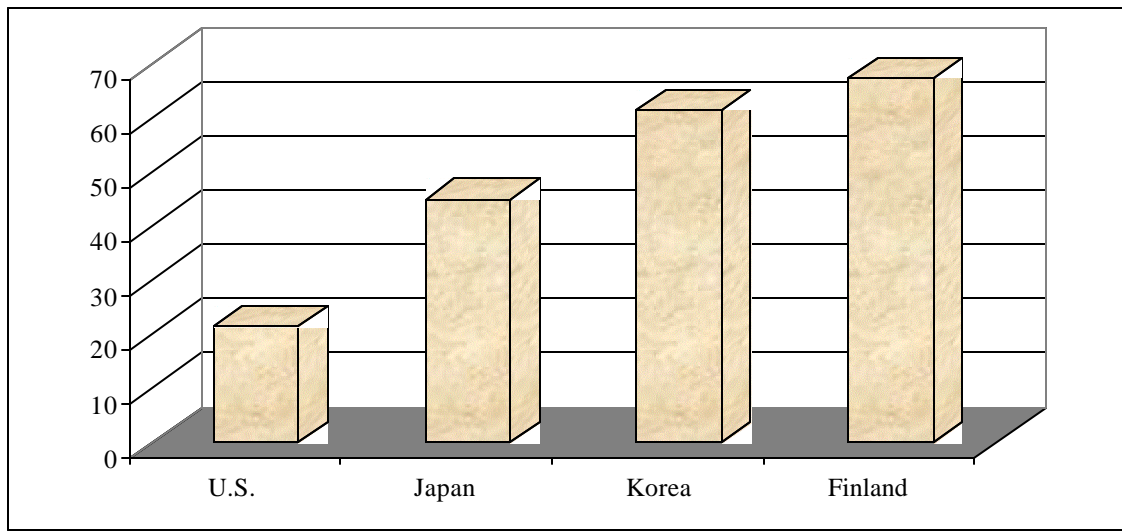
The Korean government is endeavoring to decrease the "digital divide" and to improve the country's digital environment. Korea has the least expensive Internet access charges of all the 29 member nations of the Organization for Economic Cooperation and Development.

Chart 24
E-commerce Market Outlook for Korea 2005



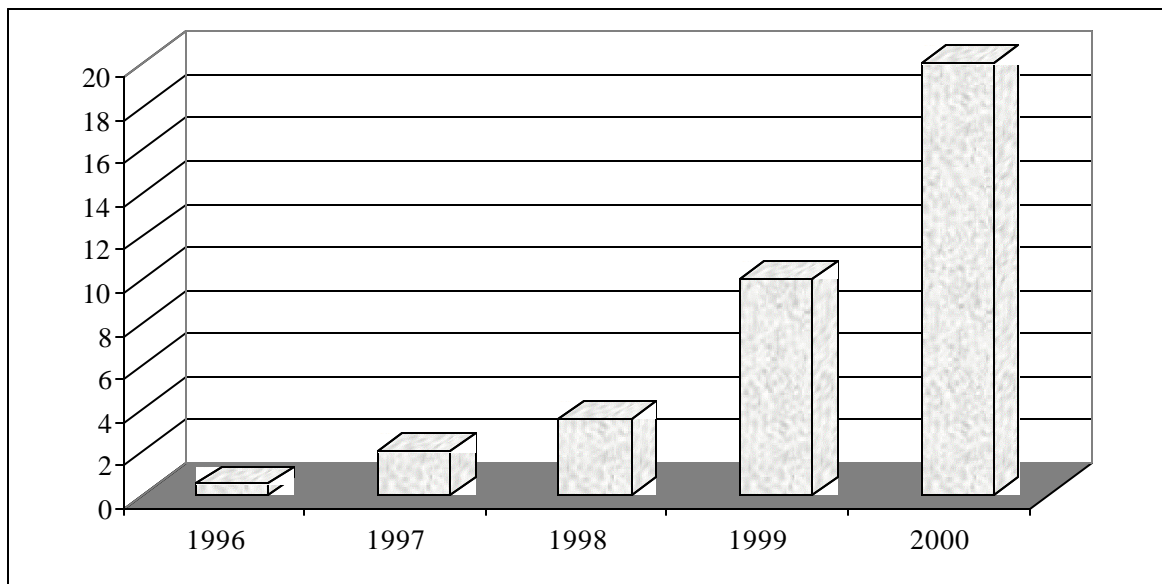
(B to B = business to business; B to C = business to consumer; unit is millions of dollars. The figure for 2005 is forecast by Korean Ministry of Commerce, Industry and Energy. Source: Electronic Commerce Research & Development Association.)

Chart 25
Cell-Phone Ownership as a Share of a Population (%)



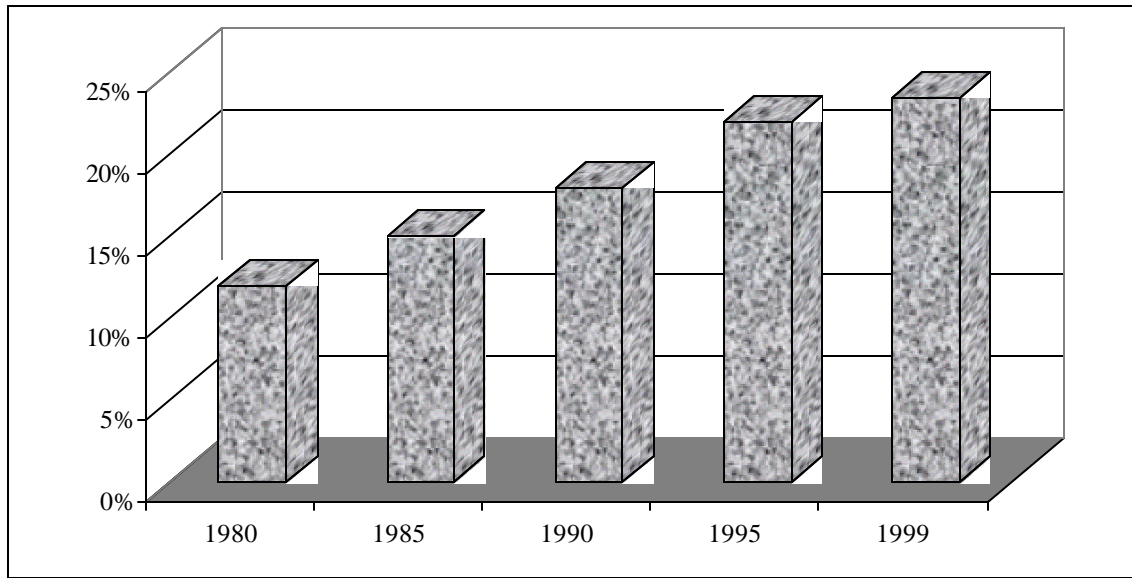
(Source: "Korea's Digital Quest," *Business Week*, International Edition, September 25, 2000)

Chart 26
Korean Population Going Online (Millions of People)



(Source: "Korea's Digital Quest," *Business Week* International Edition, September 25, 2000)

Chart 27
Korean Manufacturing of High-Tech Products
As a Percentage of All Manufacturing



(Source: "Korea's Digital Quest," *Business Week* International Edition, September 25, 2000.)

As shown in the charts above, Korea's digital economy is growing rapidly. Almost a quarter of Korean products are high-tech. Koreans are quickly becoming accustomed to the new digital environment. For example, *PC Bangs* (Internet Cafés), small businesses where general users can surf the Web for a nominal fee, are gaining in popularity and market share.¹⁰

Conclusion and Policy Options

Korea and California have become important partners to each other. Korea and California have cultural connections because of the large number of Korean Californians and the large number of visiting Korean students and workers in California. California is a popular vacation destination for Koreans, trade between California and Korea is significant, and Korean investment in California has grown.

However California and Korea do not seem to be acquainted with each other. Only a few Koreans know that California is the place where over one-third of Koreans in the U.S. live, or that over one-third of the products that Korea imports from the U.S. are made in California. Many Koreans do not even know California's location. There are also few Californians who know that Korea is the fourth biggest export market for California's products. This lack of mutual understanding seems to be true also of intergovernmental relations. Even though 15 cities in California have their own sister cities in Korea, there seems to be much room for expanding interchange networks. Finally, although the Korean community is one of the fastest growing groups in California, that community does not seem to play an appropriate role in contributing to California's welfare. The community is insular, primarily by language, with a low voting rate. As a result, California's public institutions do not have many programs designed with the Korean community in mind. These could include cultural and educational programs.

Better communication could surely benefit the two parties and their peoples. Better understanding would doubtlessly promote economic trade and a variety of exchanges that could enrich both parties' economic well-being and cultural diversity.

An ample number of bilingual Korean Californians would mutually benefit California and its Korean community, and could encourage understanding between that community and the rest of the state. More interest in, and support for, the Korean community on the part of the State and local governments would surely help many limited-English-speaking Korean Californians to have equal access to State services, and would likewise help the Korean community to play a more important role in California's welfare. In this regard, the younger generation of Korean immigrants is much more assimilated into the U.S. culture and English language than the older generation.

It is mostly the language barrier that blocks the two parties' approach to one another and mutual understanding. This also seems to be true of other Asian communities in California. For this reason, the following options are focused on the language problem and its solution. While not necessarily recommendations of the author or the California Research Bureau, the following discussion highlights potential options for action.

Help the Korean Government and the Korean People to Better Understand California

Making California better known to Korea and its people might benefit relations between the two parties. The State could translate some of the contents of its home page into Korean and provide links to main Korean Web sites such as KOTRA, silkroad21, Daum, and Yahoo Korea. For example, the Invest in Britain Bureau, a state-run foreign investment promoter of the United Kingdom, has a new Korean-language service on its web site. This new Korean-translated web site (www.ibbasia.org) offers information on investment opportunities and key industries in Britain to attract potential Korean investors, and will help boost trade links between the two nations.¹¹

California could also make use of its foreign trade office in Seoul, Korea to increase publicity about itself so that more Koreans might come to know, visit, and trade with California. Bilingual Korean Californians could be enlisted to publicize California to the Korean people.

Encourage Mutual Benefits and Interests through Intergovernmental Relations

California could benefit from a variety of exchanges with the Korean government. This might include cultural exchanges, mutual agreements and interchanges of government and educational personnel, and exchanges of information. In particular, intergovernmental exchanges could accelerate mutual interests and understanding between the two parties. Both the Korean central government and the Seoul Metropolitan Government (a city of over 10 million people) are potential partners.

Table 15
Sister Cities Between California and Korea

California	Korea	Year Established
San Francisco	Seoul	1976
Los Angeles	Busan	1967
Sacramento	Yongsan	1997
Burbank	Inchon	1961
Compton	Suwon	1967
Marina	Dongduchon	1981
Baldwin Park	Buchon	1981
Garden Grove	Anyang	1989
San Diego	Anyang	1983
Culver City	Iksan	1983
Lompoc	Namwon	1997
Long Beach	Pohang	1985
Pittsburg	Pohang	1987
Inglewood	Kyungju	1990
Santa Rosa	Pukjeju	1996

Fifteen cities in California have their own sister cities in Korea.¹² But the relations between cities have limits. There is room for expanding and enriching interchange networks involving state government with partners in Korea.

Provide Korean Language Assistance and Translation Services to Limited-English-Speaking Korean People

Minority communities need equal access to information and state government services, and language can be a significant barrier. According to a California Bureau of State Audits' report released in November 1999, "only two of 10 state agencies audited were aware of their responsibility to translate materials, and only one agency translated materials into required languages under the law's five percent threshold."¹³ Further, "the report concluded that because there were no enforcement mechanisms under the statute, implementation had been extremely poor and many Californians may have been denied government services because of language difficulties." According to one observer, "few agencies in State government have kept pace with California's demographic changes."¹⁴

In California, according to a reporter for *AsianWeek*, the consequences of a lack of language-appropriate services "have led to incidents in which non-English speaking immigrants have lost jobs, been denied government services, and sometimes have ended up in jail."¹⁵ In contrast to state and local government, the article continues, "telephone companies, public utilities, and even private health providers supply multi-lingual services without which they would lose customers."

Bilingual services and a variety of opportunities to learn English are essential to most limited-English speaking Californians. For example, as many as 90 percent of Korean American seniors cannot understand English well.

- Among the best opportunities would be courses in English as a second language designed specifically for native speakers of the Korean language. Currently most English-as-a-Second-Language courses are designed for speakers of Spanish. Although not needed statewide, there are cities in which concentrated populations of Korean Americans would justify special classes of native speakers of the Korean language (see list below).
- Special attention could be paid to Korean Americans when seeking basic government data, perhaps by requiring language appropriate survey instruments. For example, it appears that language barriers may have resulted in many Korean Americans not being counted in the Census. In 1990, the U.S. Census counted around 260,000 Koreans living in California, but according to the Korean Consulate over 500,000 Koreans were living in the state at that time. The Consulate estimates that 748,500 Koreans were living in California in 1999.[‡]

[‡] The U.S. Census expects to release detailed breakdowns on California ethnic populations in the summer of 2001.

State and local governments need to follow the private sector's lead and make their services more language-accessible.

- California state agencies could provide language assistance, interpretation, and translation of key services and information to newcomer residents in a limited-English speaking population, such as Korean-Americans.
- The State could require cities to provide translation of key documents and services when a language group reaches five percent of the local population. This is the same percentage as required at the state level. The City of Oakland has recently enacted a similar policy. Koreans are a rapidly growing population and exceed five percent in a number of municipalities.

Table 16
California Cities in Which Koreans Exceed Five Percent of the Population
(1990, 2000 Census)

Rank	Cities and Census-Defined Places	Total Population (2000)	Korean (2000)	Percent Korean (%)	
				1990	2000
1	Cerritos	51,488	8,938	12.2	17.4
2	La Palma	15,408	2,630	9.1	17.1
3	La Crescenta-Montrose CDP	18,532	2,538	4.9	13.7
4	La Canada Flintridge	20,318	2,226	5.9	11.0
5	Diamond Bar	56,287	5,580	4.8	9.9
6	Rowland Heights CDP	48,553	3,730	5.8	7.7
7	Fullerton	126,003	9,093	4.0	7.2
8	Torrance	137,946	9,481	4.4	6.9
9	Glendale	194,973	12,504	5.2	6.4
10	Buena Park	78,282	4,965	3.8	6.3
11	Gardena	57,746	3,588	5.7	6.2
12	Hacienda Heights CDP	53,122	2,951	4.5	5.6
13	Irvine	143,072	7,593	3.3	5.3
14	Cypress	46,229	2,443	2.3	5.3
15	Rancho Palos Verdes	41,145	2,045	3.4	5.0
16	Hawaiian Gardens	14,779	732	4.5	5.0
	California	33,871,648	345,882	0.9	1.0

(Source: U.S. Census Bureau)

Lack of opportunities for young Korean American students to learn the Korean language is a cause of anxiety to Korean parents. It might also be disadvantageous to California's future and to the Korean community. Bilingual people are essential to most businesses in

California. People who can speak both English and Korean could help to improve relations and understanding between California and Korea.

- Korean could be encouraged to be offered as a foreign language in more schools in California. Opportunities to learn another language enrich the lives of students, broaden their vision, and empower them with the knowledge and skills necessary to participate in a multicultural and multiracial society.

Help the Korean Community to Build a Bridge Between California and Korea

Language difficulties and cultural barriers prevent the Korean community from better communicating with other communities in California and also might be an obstacle to that community's playing a positive role as a bridge between California and Korea. My conversations with Koreans in California suggest that this is the case.

- The State could support non-profit organizations in the Korean community to offer Korean education, cultural activities, and community services. They could help Korean-Americans integrate their cultural heritage as American citizens, communicate with other communities, and contribute to the whole California community's welfare. One avenue might be to support local cultural programs through grants to the California Council for the Humanities and local libraries.
- There are a number of non-profit organizations that help immigrants to protect their rights and interests, assist with occupational skills training, provide translation services (such as for limited English speaking senior citizens), and offer interpretation, counseling, and help with public assistance and other services. By funding those organizations, perhaps through a grant process, the state government could derive benefits that exceed the cost.
- The state government could cooperate with Korean national and local governments to fund and facilitate cultural and educational activities in the Korean community. Those efforts could enrich the cultural diversity and depth of California.

Notes

¹ Charles Wolf, Jr., Anil Bamezai, K. C. Yeh, and Benjamin Zycher, *Asian Economic Trends and Their Security Implications* (RAND, 2000) p. 11.

² Data source: <http://www.nso.go.kr/stat/majorecono/econoDB.htm>

³ Data source: http://www.okf.org/gkc_data/info/m15.html. Also see J. Eric Oliver, Fredric C. Gey, Jon Stiles, Henry Brady, *Pacific Rim States Asian Demographic Data Book*, Office of the President Research Report, 1995.

⁴ U.S. Department of Commerce, Bureau of the Census, *Asian- and Pacific Islander-owned Businesses, 1997*, <http://www.census.gov/Press-Release/www/2001/cb01-88.html>

⁵ Japanese External Trade Organization (JETRO), *California and Japan*, 1999.
<http://www.jetro.org/sanfrancisco>.

⁶ California Department of Food and Agriculture.

⁷ Charles Wolf Jr., Anil Bamezai, K. C. Yeh, and Benjamin Zycher, *Asian Economic Trends and Their Security Implications* (RAND, 2000), p. 14.

⁸ RAND, p. 16.

⁹ RAND, p. 17.

¹⁰ MyungJong Hong, "World Class E-Commerce Strategies" Sacramento: California Research Bureau, California State Library, 2000.

¹¹ *Ibid.*

¹² Korea Local Authorities Foundation for International Relations,
<http://www.klafir.or.kr/kor/sub4/main.htm>.

¹³ *Ibid.*

¹⁴ See <http://www.bsa.ca.gov/bsa/summaries/99110sum.html> for access to the California Bureau of State Audits report, *Dymally-Alatorre Bilingual Services Act: State and Local Governments Could Do More to Address Their Clients' Needs for Bilingual Services*. BSA Report Number 99110, November 1999.

¹⁵ Janet Dang, "Government in Translation: Community Groups Say Service Long Overdue," *AsianWeek*, June 22 - June 28, 2000.
http://www.asianweek.com/2000_06_22/bay1_governmenttranslation.html